capacity of these schemes on account of *inter-alia,* higher provisioning for NPAs and poor market conditions leading to depreciation of equity.

While the dividends declared for the period April 2002—March 2003 under the two schemes are lower than interest rates on RBI Bonds, the dividend under MIPs 2000 (II) is higher than savings account interest rate. It is lower in the case of MIP 2000 (I).

(d) Government has extended a guarantee to UTI for Rs. 1000 crores against the assets of and cash inflows to Development Reserve Fund to honour the commitment to the investors in MIP schemes matured in June, 2002 and a MIP scheme maturing in August, 2002.

Use of International Credit Cards

71. SHRI RAJU PARMAR :
SHRI BHAGATRAM MANHAR :

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Reserve Bank of India (RBI) have issued guidelines whereby the International Credit Cards can be used for any purpose including the import of items permissible under EXIM Policy;

(b) if so, the salient features of the guidelines issued by the RBI;

(c) whether it is a fact that Indian travellers can use International Credit Cards and then regularize their spending in foreign exchange abroad on arrival in India; and

(d) if so, the details of the rules and guidelines issued by the RBI in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) Yes, Sir.

(b) Reserve Bank of India (RBI) has issued a clarificatory circular regarding use of International Credit Cards in foreign exchange transactions. International Credit Cards can be used on internet for any purpose for which exchange can be purchased from an authorized dealer in India or import of any other items permissible under EXIM Policy.

(c) Yes, Sir.

(d) RBI has further reported that residents can use International Credit Card while abroad. RBI has clarified that the term "currency", *inter alia*, includes Credit Cards, ATM Cards and Debit Cards etc. and all the rules, regulations made and directions issued under the Foreign Exchange Management Act apply to Credit Cards, ATM Cards, Debit Cards etc. also. Accordingly, payments by the Credit Cards, ATM Cards, Debit Cards etc. being only different methods of payment, all the rules, regulations made and directions issued under the Act apply to Credit Cards, ATM Cards, Debit Cards etc. also.

Evasion of customs duty by MNCs

72. SHRI DEVI PRASAD SINGH :
SHRI BHAGAT RAM MANHAR :

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that some multinational companies producing IMFL have been indulging in under-invoicing and misdeclaration of goods and evaded crores of rupees in customs duty;

(b) if so, the details in this regard, company-wise;

(c) the action taken against these companies in regard to recovery of customs duty; and

(d) the action taken against the companies and its officials in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) to (d) Two cases where two multinational companies producing IMFL were found to be indulging in under-invoicing and misdeclaration of goods and thus evading customs duty have been detected.

In the first case involving M/s. Seagram Manufacturing Ltd. Gurgaon, two show cause notices involving a total of Rs. 50.05 crores (approx.) were issued for alleged misdeclaration of value, quantity and classification by the company, out of which demand of Rs. 41.68 crores has already been confirmed. Further, prosecution has been launched against the company and its officials in the court of the Hon'ble ACMM, New Delhi.

In the other case booked against M/s. Allied Domecq Spirits and Wines (P) Ltd., New Delhi for alleged misdeclaration of classification and value, investigations are in progress.